

# **MINUTES OF**

## **THE RHODE ISLAND INDUSTRIAL-RECREATIONAL BUILDING AUTHORITY**

**Meeting #430 – April 7, 2006**

**PRESENT: Frank R. Benell -- Chairperson**

**Donald Harris – Member**

**Michael S. Imbruglia -- Member**

**Robert H. Luneberg -- Member**

**ABSENT: Frances H. Gammell-Roach -- Vice Chairperson**

**ALSO PRESENT: Earl F. Queenan, Jr. -- Manager**

**Alicia A. Pomfret -- Assistant Manager**

**Anthony J. Scolavino -- Sr. Financial Program Administrator**

**Claudine Tikoian -- Financial Program Manager**

**Thomas V. Moses, Esquire -- Legal Counsel**

**Natalie Jackvony, Esquire -- Legal Counsel**

**Robert C. Bromley -- Senate Fiscal Office**

**The meeting was held at One West Exchange Street, Providence, and**

**was called to order by Chairman Benell at 8:39 a.m.**

**Mr. Benell presented the Minutes of the Meeting of December 7, 2005. Following review and discussion, a motion to accept the Minutes as submitted was made by Mr. Luneberg, was seconded by Mr. Harris, and was unanimously adopted. A roll call vote was held:**

**Mr. Harris – aye**

**Mr. Imbruglia – aye**

**Mr. Luneberg – aye**

**Mr. Benell – aye**

**Mr. Benell presented the Minutes of the Special Meeting of December 21, 2005.**

**After review and discussion, a motion was made by Mr. Harris, was seconded by Mr. Imbruglia, and was unanimously approved to accept the Minutes as presented.**

**A vote by roll call was taken:**

**Mr. Harris – aye**

**Mr. Imbruglia – aye**

**Mr. Luneberg – aye**

**Mr. Benell – aye**

**Mr. Benell presented the Watch List as of March 31, 2006:**

**Mr. Scolavino discussed the AKL FLEXO TECH USA-LP settlement. He reported that the agreement has been signed with Mr. Kobusch and that the lien on the hotel in Germany is in place. Clemens Kochinke received an email that Dr. Schemann passed away; that information needs to be confirmed. Mr. Kobusch should be sending his first payment to the Authority on April 17, 2006. Mr. Moses reported that under German law, Dr. Schemann's heirs can either assume or dissolve his debts. The value of his estate needs to be determined. He expressed that in the future, the Authority should get a letter of credit on the Guarantors from other countries. He reported that the execution against Thomas Frater remains to be served, as Mr. Frater has not yet been located in person.**

**Mr. Moses discussed ULTRA FINE POWDER TECHNOLOGY. There are 3 companies interested in purchasing UFP, one of which is a Fortune 500 Company.**

**Mr. Harris asked why QUONPRO remains on the Watch List. Mr. Queenan responded that BankRI monitors the Company month to month and the Company is seeking a new bank. The Company has cut down on staff, and has brought in some new people, including an accountant.**

**Mr. Moses discussed STEM CELLS.**

**A motion was then made by Mr. Luneberg, was seconded by Mr. Harris, and was approved unanimously to accept the Watch List as submitted. A roll call vote was held:**

**Mr. Harris – aye**

**Mr. Imbruglia – aye**

**Mr. Luneberg – aye**

**Mr. Benell – aye**

**Mr. Benell presented the Portfolio Report as of March 31, 2006. Mr. Queenan reviewed the report and asked if the Board had any questions. No questions were presented. A motion to accept the report as submitted was made by Mr. Harris, was seconded by Mr. Imbruglia, and was unanimously adopted. A vote by roll call was taken:**

**Mr. Harris – aye**

**Mr. Imbruglia – aye**

**Mr. Luneberg – aye**

**Mr. Benell – aye**

**Mr. Queenan presented the Authority's internally prepared financial statements for the 9 months ended March 31, 2006. Following review and discussion, a motion was made by**

**Mr. Harris, was seconded by Mr. Imbruglia, and was unanimously approved to accept the financial statements as presented. A vote by roll call was taken:**

**Mr. Harris – aye**

**Mr. Imbruglia – aye**

**Mr. Luneberg – aye**

**Mr. Benell – aye**

**At 9:03 a.m., Mr. Benell declared that he would entertain a motion to adjourn to Executive Session and that an affirmative vote of a majority of the members is required. In accordance with §42-46-4 of the Rhode Island General Laws, a portion of the meeting will be held in Executive Session to consider and take appropriate action on such matters as permitted by subsection (5) (acquisition or lease of real property for public purposes or disposition of publicly held property), subsection (6) (location of prospective businesses in Rhode Island), or subsection (7) (investment of public funds) of Rhode Island General Laws, Section 42-46-5(a), the Open Meetings Law. Mr. Harris motioned to enter into Executive Session, Mr. Luneberg seconded, and a vote was taken.**

**Mr. Harris – aye**

**Mr. Imbruglia – aye**

**Mr. Luneberg – aye**

**Mr. Benell – aye**

**At 9:37 a.m. Mr. Benell requested a motion to return to Open Session, and noted that an affirmative vote of a majority of the members is required in accordance with §42-46-4 of the Rhode Island General Laws. Mr. Luneberg motioned to return to Public Session, Mr. Harris seconded, and a vote was taken.**

**Mr. Harris – aye**

**Mr. Imbruglia – aye**

**Mr. Luneberg – aye**

**Mr. Benell – aye**

**At this point, Mr. Scolavino left the meeting due to a prior engagement.**

**In accordance with §42-46-4 of the Open Meetings Law of the General Laws of the State of Rhode Island, the Board revisited the votes taken during Executive Session. A motion was made by Mr. Harris, was seconded by Mr. Imbruglia, and was unanimously adopted to ratify the following votes made during the Executive Session:**

**On behalf of PARKINSON MACHINERY AND MANUFACTURING CORP. to waive the Working Capital and Current Ratio requirements and to allow the reduction of the loan payable to Mr. Abrahamson (Subordinated shareholder debt) by \$500,000. The Authority also**

**waived the “ninety-day” submission requirement. These waivers were approved for Parkinson Machinery and Manufacturing Corporation for the Fiscal Year Ended December 31, 2005.**

**On behalf of THE NEW ENGLAND EXPEDITION – PROVIDENCE COMMERCIAL, LP to modify and amend the project from a parking garage, to surface parking, subject to the following conditions:**

- 1) A maximum insured amount of \$600,000, or up to 75% of the appraised value, whichever is less.**
- 2) Legal Counsel’s determination that the surface parking lot project is eligible under the Authority’s Enabling Legislation.**
- 3) Favorable Determination from Statewide Planning.**

**On behalf of THE HOTEL PROVIDENCE, to release the collateral assignment and security interest in the \$500,000 cash collateral, the antiques owned by Mr. Weiss,**  
**and the equity mortgages on the properties located at 270 Westminster Street,**

**292 Westminster Street, and 159 Westminster & 107 Eddy Streets, and “Moulton Hall Condominiums” located at 327, 334 & 333 Westminster Street, in Providence, Rhode Island. This vote is subject to the following conditions:**

- 1) That BankRI maintains their line of credit with an extension for one-year.**

- 2) That BankRI releases their cash collateral.**
- 3) That Mr. Weiss funds the reserve for the Furniture, Fixtures and Equipment.**
- 4) That Mr. Weiss pays all outstanding bills due his debtors in connection with the hotel.**
- 5) That Mr. Weiss furnishes the Authority with his most recent Year End Personal Tax Returns and Personal Financial Statements.**
- 6) That the rate of the Authority Mortgage Insurance Premium will be increased by 1%, from its present .75%, to 1.75%, effective with the payment due May 1, 2006.**

**There being no other business to discuss, Mr. Benell requested a motion to adjourn.**

**Mr. Luneberg made a motion to adjourn, Mr. Harris seconded, and it was voted unanimously to end the meeting.**

**The meeting adjourned at 9:39 a.m.**

**Respectfully submitted,**

**Alicia A. Pomfret**

**Assistant Manager & Assistant Secretary**